

EXHIBIT F



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Kelly Engel
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February 26, 2024

Via Federal Express and via Email

Repaintex Company
Attn: Mr. Carlos Acosta
116-H Edwards Ferry Rd. NE
Leesburg, Virginia 201765

Mr. Carlos A. Acosta
12911 Oleander Drive
North Miami, Florida 33181

Ms. Angela P. Acosta
17111 Biscayne Blvd., Unit 2205
Aventura, Florida 33160

N&S Property Services, LLC
Attn: William J. Bonilla
2285 W Liddell Rd.
Duluth, Georgia 30096

N&S Property Services, LLC
Attn: William J. Bonilla
260 Peachtree St. NW, Suite 2232
Atlanta, Georgia 30303

Repaintex NS Property LLC
Attn: Laura Lloyd / Tarek Dagstani
116H Edwards Ferry Rd. NE
Leesburg, Virginia 20176

Repaintex NS Property LLC
Attn: William J. Bonilla
5252 NW 85th Ave., Unit 911
Doral, Florida 33166

Re: **DEMAND FOR ACCESS TO BOOKS AND RECORDS**

Surety: Travelers Casualty and Surety Company of America
Bond: Performance & Payment Bond Nos. 107318597
Principal: Repaintex Company
Contract: GSA Contract No. 47PM0420C0005 dated September 20, 2020 by
and between Repaintex Company and the U.S. General Services
Administration
Project: USAID Renovations Phase 5 and 6 at the Ronald Reagan Building
located at 1300 Pennsylvania Avenue, Washington, DC 20006

Dear Messrs. Acosta, Bonilla, and Dagstani, and Mmes. Acosta and Lloyd:

Travelers Casualty and Surety Company of America (“Travelers”) is the surety on Payment and Performance Bonds No. 107318597 (the “Bonds”) issued for the Project naming Repaintex Company as principal (“Principal” or “Repaintex”) and the United States of America as obligee (“Obligee”). The purpose of this letter is to make demand upon the Indemnitors (defined below) for copies of and access to their books and records.

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Repaintex, Carlos A. Acosta and Angela P. Acosta executed and agreed to the terms contained in the General Agreement of Indemnity (“GAI” or “Indemnity Agreement”) dated October 10, 2015. The GAI defines “Indemnitors” broadly to include:

Undersigned [i.e., Repaintex, Mr. Acosta, and Ms. Acosta], all new indemnitors added to this Agreement by rider, their present and future direct and indirect subsidiaries, affiliates, and parent companies, and all of their successors and assigns, and any joint venture, co-venture, consortium, partnership, trust, association, limited liability company or other legal entity in which one or more of them are involved, whether in existence now or formed or acquired hereafter, and any entity that obtains Bonds from [Travelers] at the request of any of the aforementioned parties, or any combination of the above.

See GAI, ¶ 1. Consequently, Repaintex, Mr. Acosta, and Ms. Acosta are “Indemnitors” by virtue of executing the GAI. N&S Property Services, LLC (“N&S Property”) and Repaintex NS Property LLC (“Repaintex NS”) are also “Indemnitors” under the GAI because, among other things, they are directly or indirectly related to Repaintex, Mr. Acosta, and/or Ms. Acosta, and/or obtained bonds from Travelers at the request of Repaintex, Mr. Acosta, and/or Ms. Acosta.¹ Collectively, Repaintex, Mr. Acosta, Ms. Acosta, N&S Property, and Repaintex NS are all referred to herein as “Indemnitors.”

In the Indemnity Agreement, each of the Indemnitors agreed, jointly and severally,² to satisfy certain obligations, including the obligation to provide Travelers with copies of and access to Indemnitors’ books and records. Specifically, Paragraph 10 of the GAI, entitled, “Books, Records and Credit,” provides:

Indemnitors shall furnish upon demand, and [Travelers] shall have the right of free access to, at reasonable times, the records of Indemnitors including but not limited to, books, papers, records, documents, contracts, reports, financial information, accounts and electronically stored information, for the purpose of examining and copying them. Indemnitors expressly authorize [Travelers] to access their credit records, including, but not limited to, account numbers and/or account balances from financial institutions. ...

The Indemnity Agreement was executed as consideration for Travelers issuing surety bonds on behalf of the Indemnitors. Travelers subsequently issued bonds for several projects performed by various Indemnitors, including but not limited the Bonds issued on behalf of

¹ In addition, N&S Property and Mr. Bonilla, among others, executed a separate General Agreement of Indemnity dated January 28, 2020.

² Paragraph 7 of the GAI, entitled “Joint and Several Liability,” provides: “The obligations of Indemnitors hereunder are joint and several.”

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Repaintex for the above-referenced Project. Repaintex, however, was unable to complete the work for the Project for which Travelers issued the Bonds.

Specifically, on January 10, 2024, the GSA sent a default and cure notice (the “Default & Cure Notice”) to Repaintex and requesting a conference with Travelers. On January 18, 2024, Travelers and the GSA held a conference concerning the Default Notice. On January 26, 2024, after Repaintex failed to cure the defaults identified in the Default & Cure Notice, the GSA terminated the Contract with Repaintex for default under FAR 49.402-3 (the “Termination Notice”). As a result of the Termination Notice, Travelers now faces potential claims under the Bonds, including but not limited to claims asserted by the Obligor to complete performance under the Contract. It appears from data provided by Repaintex that it estimates the cost to complete the Project is \$7,585,425.46. It further appears from data provided by Repaintex that only \$2,811,953.21 in Contract funds remain to complete the Project.

Therefore, pursuant to the terms of the Indemnity Agreement, and in support of Travelers’ anticipated exposure under the Bonds, Travelers **HEREBY DEMANDS** that **within seven (7) days from the date of this letter, the Indemnitors each provide copies of their financial and, as applicable, bond-related books and records**, as more specifically described in the attached **Exhibit A**. The foregoing documents should be sent to Travelers, Attn: Kelly Engel by email to KENGEL@travelers.com. In addition, Indemnitors must make arrangements to allow Travelers access to the corporate Indemnitors’ books and records, *e.g.*, QuickBooks, Procore, and/or or other construction or accounting program/software, for inspection and copying. Please contact undersigned, in writing, to coordinate the requested access **within seven (7) days from the date of this letter**.

In the event that Travelers does not timely receive the books and records and corresponding requested access as set forth above, Travelers will immediately pursue all legal rights and remedies. Please be advised that the Indemnitors are responsible for the legal costs and expenses that Travelers incurs to enforce the obligations under the Indemnity Agreement.

This letter is written under a complete reservation of rights. Nothing herein shall be construed as a waiver, release, estoppel or modification of any rights or defenses, at law or in equity, available to Travelers under contract, by statute or at common law.

Travelers looks forward to having Indemnitors timely satisfy their obligations under the GAI.

Sincerely

Kelly Engel

Attachment

EXHIBIT A - Document Requests to Indemnitors**Information Related to Specific Projects:**

For purposes of these requests, the term “Projects” means the following U.S. federal government projects:

Contract Number	Project Description
47PM0420C0005	RBR USAID Phase 5 & 6 Renovations
33330222FF0010291	SCBI - Repair Pavement Visitor Parking NASM
33330222FF0010496	Smithsonian Fort Pierce Marine Station
N4008021F5133	NMIC MPAC Lab Renovation (IDIQ Contract)
47PD1224F0018	AVB IT Space Renovation (US District Courts IT)
47PD1223F0172	AVB Modesty Screen (US Marshals Service Intake Cell Modesty Screen)
1305M218PNWWN0312	THE PURPOSE OF THIS ACQUISITION IS TO PROVIDE HVAC MAINTENANCE
47PM0624F0013	FY24 SNOW EVENT AT FAA
N4008019F4551	IGF::OT::IGF X001 MINIMUM GUARANTEE-REPAINT EX
040ADV23-C-0053	GPO Command Center

For each Project, please provide the following information as of January 31, 2024 (or most recent completed month), if the request is not date specific:

1. Copies of all contracts and subcontracts, including any amendments, addendums, and/or changes order to and/or for the same.
2. Copies of the complete last paid and unpaid progress billings requisition(s) to the owners for each Project.
3. Current (most recent) cost to complete estimates for each Project.
4. Detailed Job Cost Reports for each Project.
5. Schedule of detailed cash receipts received (collected) to date, by Project.
6. Schedule of detailed cash disbursements made to date, by Project.
7. Status of any other surety bond program (currently in effect) for each Project, as well as any other open bonded projects not listed above, including the single and aggregate bond line program amounts in effect.
8. Final completion certificates or other information to verify if any of the Projects (as well as any other open bonded projects not listed above) is closed.
9. Listing and status of any significant non-bonded projects, including but not limited to the following two projects:

Contract Number	Project Description
47PD1222D0002	Supplemental Agreement for Work Within Scope
47QSMD20R0001	Other Administration Action

10. Current Schedule of Aged Accounts Payable & Retainage by Job as of January 31, 2024.
11. Current Schedule of Aged Accounts Receivable & Retained by Job as of January 31, 2024.
12. Schedule of contract completion dates reflecting: (a) contractual versus projected dates; (b) liquidated damages; (c) original and revised contract value; (d) amount billed to date; (e) amount paid to date; (f) amount remaining to bill.

Information Specific to Contract No. 47PM0420C0005 for the USAID Ronald Reagan Building Phase 5 & 6 Renovations:

1. List of subcontractors, their scope, contract value, and description of self-perform work.
2. Location of all project materials, including information about who is holding and/or storing the materials, and copies of all contracts with the same. Please include any materials ordered but not yet delivered.
3. Copies of all pay applications, including all supporting documentation to the pay applications, including but not limited to, vendor lien releases, certified payroll records, and material receipts.
4. Latest project schedule from both Repaintex Company and the obligee, including the base line schedule.
5. While we've received some Project-specific drawings and specifications, please provide all, including but not limited to, copies of as-built drawings and/or markups and any O&M manuals (including confirmation as to the status of any pending project close-out items).
6. Any and all deficiency reports from the obligee.
7. RFI and submittal listing, including all copies of all RFIs, the RFI log, and copies of all responses to RFIs.

Financial Information Requested from Repaintex Company:

1. Copy of January 31, 2024 internally prepared financial statement(s), including a balance sheet, income statement, and profit & loss statement.
2. Copies of any correspondence with Truist (f/k/a Branch Banking & Trust Company) ("Truist"), or any other bank where Repaintex Company assets may be held and regarding any line of credit or other accounts, and copies of the most recent bank statements.
3. Copy of current Work in Progress (WIP) schedule for period ending January 31, 2024, which should include a schedule of uncompleted contracts in progress.

4. Schedule of contracts completed with copies of certificates of substantial/financial completion.
5. Monthly (basic) cash flow forecast and/or projection for one to three/six months.
6. Copies of the most recent payroll reports (field labor and office/administrative) and corresponding payroll tax payments (weekly and/or quarterly) for one payroll period.
7. Status of insurance (renewal dates of coverage and obligations owed), including whether the insurance is financed, and if so, what are the terms and conditions of the financing arrangements.
8. Detail schedule of fixed assets, including copies of recent appraisals.
9. Summary of outstanding equipment debt (or any other debt) owed to lenders along with a schedule of not payments, copies of the related notes, security, guaranty, and/or collateral agreements, and/or leases.
10. Copies of bank account statements and reconciliations (including operating and payroll accounts) for the last two months, including a listing of held checks (remittance written but not released).
11. Detail schedule of monthly and annual overhead/G&A structure on a cash basis.
12. Schedule of held checks by project (remittance written but not released).
13. Current schedule of accounts payable (including aged accounts payable) and retention by vendor.
14. Current schedule of accounts receivable (including aged accounts receivable) and retention by customer.
15. Detail report of any payable (accrued liabilities) not included in the schedule of accounts payable, such as but not limited to, payroll taxes and withholdings, unemployment insurance, worker's compensation, unpaid audit insurance premiums, union benefit obligations or other items.

Financial Information Requested from All Indemnitors:

For each Indemnitor,¹ unless otherwise indicated, produce the following documents and information:

¹ The term "Indemnitor(s)" refers collectively to: (i) Repaintex Company, (ii) Carlos A. Acosta, (iii) Angela P. Acosta, (iv) N&S Property Services, LLC, and (v) Repaintex NS Property LLC. Any other capitalized terms used herein shall have the meaning ascribed to them in the foregoing Demand for Indemnity, Deposit of Collateral, and Access to Books and Records (the "Indemnity Demand").

1. Copies of each corporate Indemnitor's QuickBooks, Procore or other similar accounting/construction program/software.²
2. Balance sheets, profit & loss statements, and financial statements prepared by or on behalf of Repaintex, N&S Property, and Repaintex NS for 2020, 2021, 2022, and 2023.
3. Any financial statements submitted to any third party by any Indemnitor since January 1, 2020.
4. For the individual Indemnitors, updated personal financial statements, inclusive of source documentation, as of January 31, 2024, which should include, among other things, a schedule of all significant assets owned by the individual Indemnitor (*e.g.*, homes, condominiums, boats, yachts, vehicles, jewelry, etc.).
5. All corporate organizational documents for Repaintex, N&S Property, and Repaintex NS, including but not limited to: articles of incorporation, articles of organization, bylaws, operating agreements, and any amendments to the same.
6. Federal and state tax returns for 2020, 2021, 2022, and if filed, for 2023.
7. Details concerning all distributions, compensation, and/or other payment made to any owner of the corporate Indemnitors since October 10, 2015, including details concerning the purpose and/or reasoning for such distributions, compensation, and /or other payment.
8. Details concerning any distributions, compensation, and/or other payment received by any individual Indemnitor from any corporate Indemnitor and/or other source f since October 10, 2015, including details concerning the purpose and/or reasoning for such distributions, compensation, and /or other payment.
9. Statements, signature cards, cancelled checks, deposited checks, and ACH/wire transfer information for the past seven (7) years for all bank accounts, brokerage accounts, and investment accounts for which any Indemnitor is named as an account owner, beneficiary, and/or authorized user/signor.
10. Any and all W-2s, 1099s, and K-1s issued by and/or to any Indemnitor for the past seven (7) years, including but not limited to, all such documents related Repaintex, N&S Property, and Repaintex NS.
11. Copies of all loan documents between Repaintex and Truist, including but not limited to, any promissory notes, loan agreements, line of credits, security agreements.
12. Current balance statement, payoff statement, and/or proof of loan forgiveness for any and all loans between Repaintex and Truist.

² As set forth in the Indemnity Demand, please contact counsel for Travelers to arrange for Travelers to inspect and copy these particular items.

13. Copies of all applications executed or submitted in the last seven (7) years for any credit card, loan, PPP or similar COVID-related loan, bond, indemnity agreement, or other extension of credit, including but not limited to any credit card applications or bond applications.
14. Current balance statement, payoff statement, and/or proof of loan forgiveness for any PPP or similar COVID-related loans received by Repaintex, N&S Property, and Repaintex NS.
15. Copies of all equipment loan documents for Repaintex, N&S Property, and Repaintex NS.
16. Current balance statement, payoff statement, and/or proof of loan forgiveness for any equipment loans received by Repaintex, N&S Property, and Repaintex NS.
17. Any agreements to which any Indemnitor is a party with any other Indemnitor, including but not limited to any agreements by and between: (a) Repaintex and N&S Property; (b) Repaintex and Repaintex NS; (c) N&S Property and Repaintex NS; and (d) Mr. Acosta and Ms. Acosta.
18. Any agreements between any Indemnitor and Adams Construction Group, LLC.
19. Any agreements between any Indemnitor and Potomac Electric, LLC.
20. List of addresses of all real property that each Indemnitor owns.
21. Documents related to all real estate transactions that each Indemnitor has been involved in since October 10, 2015.
22. All mortgage documents or loan documents related to any real property each Indemnitor owns, including current statement identifying loan balance and monthly payments due on each mortgage.
23. Copies of all lease or rental agreements to which each Indemnitor is a party or has been a party within since October 10, 2015.
24. List of all automobiles and/or boats currently owned or leased, or owned or leased since October 10, 2015, and all related documentation including registrations, loans, and lease agreements.
25. All records reflecting financial assets, such as banking account, savings account, certificates of deposit, bonds, commodities and investment account statements (domestic and foreign), including all statements showing individual financial transactions in the last seven (7) years evidencing any transfers into, out of, or of such accounts/assets, and all detail supporting and/or making-up such transfers.
26. Records concerning all investments stocks and bonds held in the last seven (7) years.

27. List of all life insurance policies on which any Indemnitor is a beneficiary and all documents related to such policies, including application materials and life insurance agreements.
28. All documents that relate to any trust, annuity, or similar instrument that any Indemnitor established or for which any Indemnitor is, are, or were a beneficiary.